

DRAFT

## CONTRACT FOR THE COLLECTION OF DELINQUENT SPECIAL ASSESSMENT ACCOUNTS

This Agreement ("Agreement") is made on this the \_\_\_\_ day of January, 2015 between City of Ingleside, Texas, hereinafter referred to as "City", and Linebarger Goggan Blair & Sampson, LLP, hereinafter referred to as "Law Firm";

In consideration of the mutual promises herein contained, the parties hereto agree as follows:

### I. PURPOSE OF REPRESENTATION

1.01 City hereby retains and employs Law Firm for the collection of delinquent accounts in special assessments levied in connection with paving liens and liens filed under Chapter 342 of the Health and Safety Code, including principal and interest owing to the City thereby, hereinafter referred to as "Delinquent Accounts" or "Delinquent Accounts in Special Assessments". An account is delinquent when it remains unpaid after thirty (30) days of initial invoice.

1.02 The City authorizes and directs Law Firm to take all action necessary to include the Delinquent Account in pending tax suit, including all necessary court appearances, research, investigation, correspondence, preparation and drafting of pleadings, and all related work necessary to properly represent the City's interest in these matters. The Law Firm shall check with the City before filing any tax suit or obtaining a judgment on such a suit to ensure the inclusion of all liens in the suit or judgment. If additional liens are filed after the initiation of the tax suit, but before final judgment, Law Firm shall amend the pleadings to include such additional liens. The City will respond within 5 business days to the Law Firm's request for lien accounts to be included in the filings or amendment of any suit. When a case is set for final hearing, the Law Firm will request an update to identify any additional liens to be included in the suit before the entry of judgment. The City will respond within 5 business days of the request for any update and said liens will constitute the final claims to be included in the suit. The Law Firm shall represent the City in all bankruptcies filed by delinquent property owners, including filing claims, monitoring the bankruptcy process, attending hearings as necessary, and otherwise insuring the City's interests are protected in the bankruptcy matter with respect to Delinquent Accounts.

1.03 The Law Firm shall pursue collection methods such as letters, telephone calls, in person contact regarding the collection of Delinquent Accounts in Special Assessments. The Law Firm agrees to contact the person who is legally responsible for the Delinquent Account to collect amounts owed. This shall be accomplished by mailings to delinquent accounts on intervals to be agreed upon by the Law Firm and the City Manager. Exhibit 1 identifies specific tasks to be performed by Law Firm.

1.04 The Law Firm shall provide the City Manager with written monthly reports as requested.

1.05 The Law Firm is to call to the attention of the City Manager any errors, double assessments, or other discrepancies coming under its observation during the progress of the

work. Ownership of information acquired by Law Firm concerning the services performed during this agreement belongs to the City, and Law Firm shall only use such information as needed to perform required services.

1.06 No settlement agreement of any claim, suit or proceeding shall be entered into without the approval of the City Manager.

1.07 The Law Firm shall maintain a file for each referred claim which shall be available to the City at all times for inspection. Such file shall contain all data pertinent to the claim to support its disposition. All documents, papers, or records pertaining to a file shall be retained after conclusion of all legal proceedings for disposition as mutually agreed to by the City Manager and Law firm.

## II. LAW FIRM'S FEES AND EXPENSES

2.01 As compensation for services required under this contract, City hereby agrees to pay Law Firm 20% of all Delinquent Accounts in Special Assessments which are referred to Law Firm for collection and which are actually collected and paid to the City during the term of this contract, to be paid by and collected from the property owners. All such compensation shall become the property of the Law Firm at the time payment of the monies is made to the City. The City shall pay over said funds monthly by check.

2.02 It is understood that if the amount of Law Firm's fees under this Contract are regulated or governed by law, and that law precludes any other fee arrangement other than the amount set by law or regulation, then the amount payable to Law Firm is limited to the maximum allowed by law.

## III. TERM

3.01 The initial term of this contract is three years, beginning January \_\_, 2015, and shall thereafter continue for one year, with three one year renewal periods. Either party may terminate this Agreement upon sixty (60) days prior written notice. Upon termination, Law Firm will deliver all pending files on cases referred to it under this Contract to the City. The Law Firm has six (6) months following termination of the contract to reduce to judgments all suits filed prior thereto.

## IV. CITY RESPONSIBILITIES

4.01 City shall identify tax account number, owner name, street address, legal description and amounts owed on original list submitted to Law Firm.

4.02 City will be responsible for executing and maintaining payment agreements on delinquent accounts referred to Firm for collection.

4.03 City shall respond to incoming telephone calls regarding Delinquent Accounts in Special Assessments.

4.04 City shall notify Law Firm of any settlements, adjustments or cancellations to delinquent accounts.

## V. MISCELLANEOUS

5.01 This agreement shall be construed under and in accordance with Texas law, and all obligations of the parties are performable in San Patricio County, Texas.

- a. This Agreement constitutes the sole and only Agreement between the parties and supersedes any prior undertakings or written or oral agreement between the parties respecting the subject matter of this agreement.
- b. In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
- c. This Agreement may be amended only by written agreement signed by duly authorized representatives of the parties hereto. The City Manager is authorized to execute amendments to the Agreement.
- d. Law Firm agrees to comply with all applicable Federal, State, and Local laws, including laws related to collections.
- e. As desired by City, Law Firm agrees to an audit of files maintained by Law Firm pertaining to this Contract.
- f. Neither party may assign this Agreement without the prior written approval of other party.
- g. Notice may be sent by certified mail, postage prepared, and is deemed received on the third day after deposit if sent certified mail. Notice shall be sent as follows:

If to City: City of Ingleside  
Attn: Jim Gray  
City Manager  
P. O. Drawer 400  
Ingleside, Texas 78362.

If to Law Firm: Linebarger Goggan Blair & Sampson, LLP  
Attn: Paul D. Chapa, Partner  
500 N. Shoreline Blvd., Suite 1111  
Corpus Christi, Texas 78401.

Agreed to by the City of Ingleside and Law Firm:

City of Ingleside

By: \_\_\_\_\_  
Jim Gray, City Manager

Date: \_\_\_\_\_

Attest

By: \_\_\_\_\_  
Kimberly Sampson, City Secretary

Date: \_\_\_\_\_

Approved as to form:

By: \_\_\_\_\_  
Michael Morris, City Attorney

Date: \_\_\_\_\_

Linebarger Goggan Blair & Sampson, LLP

By: \_\_\_\_\_  
Paul Daniel Chapa, Partner

Date: \_\_\_\_\_

Exhibit 1  
Services Performed by Law Firm

Collection of Lien

Include liens in delinquent tax suits.

Mass mailings of delinquent bills as requested by city.

Respond to incoming phone calls to Law Firm regarding Delinquent Accounts.

Represent City in bankruptcy court when property owner in bankruptcy.

Perform telephone collections.

Prepare deeds for resale.

Disburse tax sale and resale money.

Present resale bids to Council.

Answer correspondence regarding Delinquent Accounts.

Law Firm will inform City of any forwarding addresses on returned mail received by Law Firm.